

**COMMITTEE ON GOVERNMENT REFORM**  
**TOM DAVIS, CHAIRMAN**



**MEDIA ADVISORY**

**For Immediate Release**  
**May 11, 2004**

**Contact: Robert White/Drew Crockett**  
**(202) 225-5074**

**Government Reform Committee to Consider**  
**Postal Reform, Paperwork Reduction, DC Mental Health Bills**

**What: Government Reform Committee Business Meeting**

**When: WEDNESDAY, MAY 12, 2004, 10:00 a.m.**

**Where: ROOM 2154, RAYBURN HOUSE OFFICE BUILDING**

**Background:**

The Government Reform Committee will hold a business meeting to mark up the following legislation:

**H.R. , The Postal Accountability and Enhancement Act of 2004.**

This bill will be introduced by Congressman John McHugh (R-N.Y.), Committee Chairman Tom Davis (R-VA), Ranking Member Henry Waxman (D-CA) and Congressman Danny Davis (D-IL). Each year, the United States Postal Service processes and delivers 208 billion pieces of mail to more than 130 million addresses in the United States. More than 9 million American jobs and \$900 billion in commerce are dependent upon services related to USPS.

In part because of the complex rules governing the structure and operation of the Postal Service, it has a bleak fiscal future, with declining mail volumes leading to budget deficits for three consecutive years.

This legislation builds upon the recommendations of the President's Commission on Postal Reform and the work of the Committee's Special Panel on Postal Reform, chaired by Congressman McHugh. The Postal Accountability and Enhancement Act would preserve universal service, promote efficiency and flexibility, ensure fair competition and accounting and establish a base for future reforms by mandating several studies.

In general, the legislation addresses seven major issue areas:

- **Modern Rate Regulation** – shifting the basis of the Postal Rate Commission from a costly, complex scheme of rate cases to a modern system designed to ensure that rate increases generally do not exceed the annual change in the Consumer Price Index. This applies only to market-dominant products (letters, periodicals, advertising mail) because the Postal Service is provided with different pricing freedom for its competitive products (Express Mail, Priority Mail, etc.).
- **Combining Market Disciplines with Regulation** – combining market mechanisms with Commission regulation to govern the rates of competitive products. The Postal Service would be given additional pricing freedom but would lose favored legal treatment for such products.
- **Limitations on Postal Monopoly and Nonpostal Products** – requiring the Postal Service to only offer postal services and for the first time defining exactly what constitutes “postal services.” The bill also revises the authority of the Postal Service to regulate competitors.
- **Reform of International Mail Regulation** – clarifying the authority of the State Department to set international policy, applying customs laws equally to postal and private shipments, and giving the Postal Service the authority to contract with airlines for transport of international mail.
- **Strengthening of the Commission** – giving the Postal Rate Commission “teeth” by granting it subpoena power and a broader scope for regulation and oversight. The PRC would be renamed the “Postal Regulatory Commission.”
- **Establish a Basis for Future Reforms** – mandating several studies, including a comprehensive assessment of the scope and standards for universal service.
- **Miscellaneous Reforms** – including returning the responsibility for the military service cost of Postal retirees to the Treasury Department, while also requiring the Postal Service to significantly fund its enormous liability for retiree health benefits.

### **H.R. 2432, The Paperwork and Regulatory Improvements Act of 2003**

H.R. 2432, introduced by Congressman Doug Ose, Chairman of the Energy Policy, Natural Resources and Regulatory Affairs Subcommittee, includes legislative changes to increase the probability of results in paperwork reduction; assist Congress in its review of agency regulatory proposals; and improve public and Congressional understanding of the true costs and benefits of regulations.

The overall burden of Federal paperwork and regulatory requirements is staggering and is an enormous drain on job growth, productivity and American competitiveness. In Fall 2001, the Small Business Administration estimated that Americans spent \$843 billion to comply with Federal regulations during the previous year. The Office of Management and Budget (OMB) estimates the Federal paperwork burden on the public to be over 8 billion hours. The Internal Revenue Service (IRS) accounts for over 80 percent of the total.

In 1980, Congress passed the Paperwork Reduction Act and established an Office of Information and Regulatory Affairs (OIRA) in OMB. Despite OIRA’s principal

responsibility of reducing Federal paperwork and regulatory burdens, those burdens have increased in each of the last 8 years. To help OIRA achieve the results it is supposed to accomplish, H.R. 2432 requires OMB to devote more effort to identify IRS paperwork reduction opportunities.

H.R. 2432 makes permanent the authorization for the General Accounting Office (GAO) to perform analysis for Congress of selective major rules proposed or issued by Federal agencies. In 2000, Congress authorized a 3-year pilot project, but GAO never hired staff for it. H.R. 2432 would ensure GAO's having in-house expertise comparable to OIRA's staff. With GAO's help, Congress will be better equipped to review final agency rules under the Congressional Review Act and to submit timely and knowledgeable comments on proposed rules during the public comment period.

Current law requires OMB to estimate the total annual costs and benefits for all Federal rules and paperwork by agency and by individual programs. In addition, OMB is required to include a report on the impacts of Federal rules and paperwork on certain groups, such as small business. While OMB has issued six final regulatory accounting reports, none were issued in final form with the fiscal Budget, as required by law. H.R. 2432 requires the integration of these reports in the Budget so that Congress can simultaneously review both the on-budget and off-budget costs associated with each Federal agency imposing regulatory or paperwork burdens on the public. In addition, H.R. 2432 includes a test to determine the feasibility of regulatory budgeting. This test will determine if agencies can better manage regulatory burdens on the public.

#### **H.R. 4302, The District of Columbia Civil Commitment Modernization Act of 2004**

H.R. 4302, introduced by Committee Chairman Tom Davis (R-VA) and Congresswoman Eleanor Holmes Norton (D-DC), will amend the authorities of the Commission on Mental Health, a branch of the Superior Court that presides over civil commitment hearings to assign individuals to mental institutions and makes recommendations to the Court. The bill is comprised of provisions from the D.C. Mental Health Civil Commitment Act of 2002 (D.C. Law 14-283). Since the Home Rule Act restricts the D.C. Council from acting on measures that affect the Commission, affirmative Congressional approval is necessary before the provisions can take effect.

The bill will modernize the city's civil commitment process in keeping with national trends to provide community-based mental health services and increase the involvement of patients in their treatment and recovery process. It would also make it possible for private hospitals to provide emergency inpatient psychiatric treatment. In addition, modernizing the civil commitment laws was a condition of the Final Order in the 30-year-old *Dixon v. Williams* case.

The provisions would change the duration of civil commitment to one year and create a streamlined procedure for re-commitment; permit the Commission to determine the least restrictive setting for a patient's care; set new limits on the postponement of the Commission's hearing; and permit qualified psychologists to join the panel of doctors who preside over hearings on a rotating basis.

**House Resolution 612**, recognizes and honors the firefighters, police, public servants, civilians, and private businesses who responded to the devastating fire in Richmond, Virginia, on March 26, 2004. In addition to recognizing the heroism of the citizens of Richmond, Virginia, this bill raises awareness of the dangers to the public posed by fires by specifically highlighting the wind-fueled fire that damaged more than 30 buildings in the city.

###